



# PMIC Connect

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## *March 2024*



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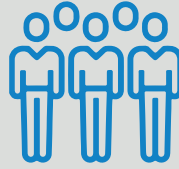


# Portfolio Highlights



**PKR 28.3**  
(Billion)

LOAN PORTFOLIO



**724,503**

TOTAL CLIENTS



**85**

NUMBER OF DISTRICTS



**26**

TOTAL BORROWERS



**87%**

WOMEN CLIENTS



**36%**

YOUTH CLIENTS



**64%**

RURAL



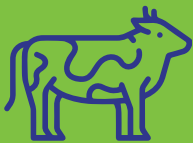
**PKR 3.94** (Billion)

LOAN PORTFOLIO  
DEPLOYMENT IN  
EXTREME POVERTY ZONES



**33,796**

RENEWABLE ENERGY -  
UNITS SOLD



**900**

LIVESTOCK INSURED



**1**

(Million)+

CUMULATIVE JOBS  
SUPPORTED BY MICROINANCE  
LENDING OPERATIONS



**PKR 111**  
(Billion)

INCREMENTAL REVENUE  
GENERATION BY PMIC  
FINANCE MICRO ENTERPRISES

# PMIC News Bites



## PORTFOLIO MANAGEMENT DEPARTMENT INITIATIVES

### PMIC ISLAMIC FINANCE OPERATIONS

PMIC is gearing up to step into Islamic finance alongside existing and new Microfinance Providers (MFPs). Shariah-compliant products and a Policy Framework have been developed. This includes setting up a Profit & Loss Distribution and Pool Management system. Shariah Advisor has been appointed and the agreement is currently in the process of being finalized for signing. Upon receiving clearance from SECP, the products will be available for borrowers and lenders to utilize. However, discussions with potential borrowers have been started, including FDO Multan and SMCL.

### INDUCTION OF NEW BORROWERS INTO PMIC PORTFOLIO

Meetings with new institutions are underway, and negotiations with a few of them have progressed, potentially positioning them as borrowers of PMIC. In this connection, an indicative terms sheet has been signed by Smart Finance Limited (SFL) while due diligence is in progress. SFL holds the distinction of being the first licensed Invoice Discounting company in Pakistan, leveraging the Fintech platform to facilitate access to credit. The discussion with other potential borrowers is at the initial stages, including Trucker Finance and Neem Financials.

## SECTOR DEVELOPMENT DEPARTMENT

### PRIME PROGRAM

The PRIME Program subsidy scheme was launched on 1st March 2024. The Terms of Reference (ToRs) were developed and submitted to KfW to obtain a No Objection for hiring a firm to develop monitoring software, an Independent Verification Agent (IVA), and a firm to develop a blueprint model. Meanwhile, the PMIC PRIME team designed a comprehensive reporting format with all the necessary indicators and shared it with Microfinance Providers (MFPs) for the reimbursement of end-user subsidies. The format includes all the necessary fields that will become part of the monitoring software later. A note was developed for the interest rate subsidy, which will be presented to the Management Risk Committee for approval.

Following approval, addendums to the existing financing agreements between PMIC and MFPs will be signed for the PRIME subsidy scheme. A couple of new vendors were shortlisted and included in the PRIME program, engaging with MFPs to start rolling out their respective solar products. The MFPs continued to deploy financing under the PRIME program, and progress numbers are provided in the table below.

PRIME Total Clients	33,796
PRIME Total Financing	164,730,663

## EDUCATION FINANCE PROGRAM

The Education Quality Program represents a collaborative initiative between PMIC and Opportunity International, with a clear focus on supporting the Education Quality Program. This three-year endeavor aims to provide crucial financial assistance and high-quality education training to 150 Low-Cost Private Schools (LCPS) in Southern Punjab. The program's primary objectives are centered around elevating education standards, boosting student enrollment rates, and enhancing school management, instructional leadership, and pedagogical practices through targeted training sessions.

The program's implementation partners, including RCDP, AGAHE Pakistan, and Taleem Finance Company, underscore a shared dedication to uplifting the educational landscape and fostering an environment conducive to enhanced learning outcomes and comprehensive school development in Southern Punjab. The two modules of School Leadership Professional training are conducted by the education specialists hired by OI in all the sample districts. This month the training of the education specialists was conducted by OI Expert trainer in Lahore.

## PMIC EXPLORES PARTNERSHIP WITH BRITISH COUNCIL TO ENHANCE EDUCATION QUALITY PROGRAM

PMIC is actively exploring a partnership with the British Council for the Education Quality Program. Recently, PMIC attended a significant event hosted by the British Council, which focused on the transformative role of education in improving lives, especially for girls. The event highlighted the graduates of the English and Digital in Girls Education (EDGE) program, demonstrating the profound impact of education on livelihoods and empowerment.

During the event, PMIC team members engaged with key figures such as Kate Ewart-Biggs (Deputy CEO British Council), Jane Marriot (British High Commissioner), and Abdullah A. Fadil (UNICEF Country Rep in Pakistan). PMIC aims to collaborate with the British Council to extend these training programs to Low-Cost Private Schools (LCPSs).

## ELECTRONIC WAREHOUSE RECEIPT FINANCING

PMIC is strategically entering the agriculture ecosystem by providing retail-level exposure in post-harvest "Electronic Warehouse Receipt Financing" for small farmers. In the first quarter of 2024, PMIC financed PKR 39 million worth of Electronic Warehouse Receipts (EWRs). Recent engagements with farmers and participation in farmer conventions have shown a growing demand for EWR financing, particularly from the Okara district.

## CHALLENGE FUND ROUND II – DIGITAL CREDIT SCORING MODEL

As part of the Challenge Fund Round II intervention to develop a credit scoring model, four Microfinance Providers (MFPs) have been fully onboarded. The initial data received from these MFPs has been used by Qarar's data scientist team to finalize an expert model. This model has been back-tested using MFP data to assess its performance.

Qarar has developed a dashboard for MFPs to test the newly built "expert-based" scoring model for new loan applications. This dashboard allows MFPs to input application information and receive a score and risk category. The model has been rolled out to MFPs, and an initial training session was conducted to guide them on incorporating the model results into their existing credit assessment processes.

Highlights from the Pilot:

- 50 applicants per MFI were tested, with an acceptance rate of 85%.
- 97% of applicants tested applied for Enterprise Loans, while the remainder applied for Livestock Loans.

## Client Success Story



### Harmony of Hope: Mohammad Akram's Journey to Empowerment and Success

Mohammad Akram, 50, is a transgender individual with deep roots in Chak 9/11, Tehsil, and District Vehari. Apart from an infrequently seen distant uncle, he has no family. Blessed with a melodic voice, Akram earns his living by performing songs in his local area and at occasional weddings and private functions. Confronting the stigmas attached to transgender individuals in Pakistan, Akram has nonetheless secured a respectable income for himself—a journey he admits has been rather challenging. He has additionally ventured into entrepreneurship by establishing a garment business, sourcing exquisite fabrics from India and Pakistan. Additionally, Akram cherishes the privilege of having completed the Haj pilgrimage at an early stage in life.

Two years prior, Akram encountered Agahe Pakistan (PMIC's client) after channeling the majority of his savings into his home, which he takes great pride in calling his own. With his financial reserves dwindling, he resorted to taking a loan to travel by road to India to purchase designer unstitched clothing, which he sells to the local women, either for cash upfront or on credit terms. This venture has since turned into a steady source of income for Akram, complemented by the acknowledgment he receives through his musical performances. He receives support from two younger members of the transgender community who join him in the entrepreneurial endeavor, particularly during the peak wedding season.

Akram expresses his gratitude to Agahe Pakistan for their timely financial aid, allowing him to develop a substantial clientele. As he looks to the future, Akram aspires to open his own boutique and hire tailors to create bespoke outfits for brides and grooms. He encourages those in his community to set lofty goals, uphold honesty, and exert relentless effort, adhering to the belief that anything is achievable unless one surrenders.



# People & Culture



## WOMEN'S DAY CELEBRATION

Our Women's Day celebrations on March 8th were filled with joy and inspiration as we honored the incredible women in our team and community. The morning began with giveaways for the entire team, setting a tone of appreciation and unity. A special "Listen and Learn" session, exclusively for our female colleagues, was hosted by our Human Resources team, where insightful experiences were shared, fostering a sense of solidarity. Later in the day, during our Town Hall meeting, we bid farewell to Zainab Ali and Moaaz Iqbal, while also celebrating the birthdays of our colleagues born in January, February, and March 2024. During the meeting certificates of appreciation were also handed out to the employees following which refreshments were served.

Additionally, we welcomed our female microfinance clients for a heartfelt celebration, honoring their dedication with shields and gifts, listening to their inspiring success stories, and reaffirming our commitment to supporting and uplifting women in our community.





## 45<sup>TH</sup> BOARD MEETING

The 45th board meeting of PMIC took place on March 13th, 2024. Subsequently, in the ensuing town hall meeting, the CEO and HR department conveyed the decisions taken in the board meeting to the team, expressing appreciation for their hard work throughout the past year. Employees were also encouraged to strive for even greater achievements in the upcoming year.



## BIRTHDAY CELEBRATIONS

We wish you a very Happy Birthday!



Irum Sardar



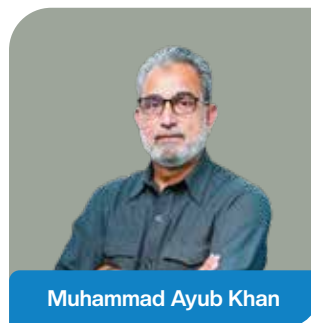
Tufail Ahmed



Ahmed Saleh Jamal



Dur E Najaf



Muhammad Ayub Khan

## EMPLOYEE CONTRIBUTION

### DATA PROTECTION: A CRITICAL IMPERATIVE IN THE DIGITAL AGE

#### Introduction

In today's data-driven world, the protection of personal information has become paramount. As individuals increasingly share their data online, the risk of data breaches and misuse has escalated, necessitating robust measures to safeguard privacy and prevent unauthorized access. Data protection has emerged as a critical imperative, requiring a comprehensive approach involving legal frameworks, technological advancements, and ethical considerations.

#### Legal Frameworks

Governments worldwide have enacted data protection laws to establish clear guidelines for the collection, use, and disclosure of personal data. These laws typically include provisions for:

#### Consent

Individuals must provide explicit consent before their data can be processed.

#### Data minimization

Organizations should only collect and process data that is necessary for specific purposes.

#### Data security

Organizations are responsible for implementing appropriate security measures to protect data from unauthorized access or disclosure.

#### Data breach notification

Organizations must promptly notify individuals and relevant authorities in the event of a data breach.

#### Technological Advancements

Technological advancements play a crucial role in data protection. Encryption, anonymization, and tokenization are some of the techniques used to protect data from unauthorized access and misuse. Additionally, blockchain technology offers decentralized and immutable data storage solutions, enhancing data security and privacy.

#### Ethical Considerations

Data protection is not solely a legal or technical issue; it also involves ethical considerations. Organizations must prioritize the responsible use of data and respect the privacy rights of individuals. This includes:

#### Transparency

Organizations should be transparent about their data collection and processing practices.

#### Fairness

Data should be used in a fair and unbiased manner, avoiding discrimination or harm.

#### Accountability

Organizations should be held accountable for their data protection practices and any breaches that occur.

#### Benefits of Data Protection

Robust data protection measures offer numerous benefits, including:



**Zeeshan Khan Shahid**  
Chief Technology Officer



**Increased trust**

Consumers and businesses have greater confidence in organizations that demonstrate a commitment to data protection.

**Reduced risk**

Organizations mitigate the risk of data breaches and legal penalties by implementing effective data protection practices.

**Enhanced innovation**

Data protection fosters an environment where businesses can innovate and develop new products and services without compromising privacy.

**Economic growth**

Data protection contributes to economic growth by creating new industries and job opportunities related to data security and privacy.

**WORLDWIDE DATA BREACHES STATISTICS**

Data breaches are a global problem, affecting organizations and individuals in all corners of the world. Here are some worldwide data breach statistics:

In 2023, there were over 45,000 data breaches reported worldwide. (Source: Privacy Affairs)

The average cost of a data breach worldwide in 2023 was \$4.24 million. (Source: IBM Security)

The United States had the highest number of data breaches in 2023, followed by the United Kingdom, Canada, and India. (Source: Privacy Affairs)

Healthcare, financial services, and government were the most targeted industries for data breaches worldwide in 2023. (Source: Verizon Data Breach Investigations Report)

Phishing and ransomware were the most common types of cyberattacks leading to data breaches worldwide in 2023. (Source: Verizon Data Breach Investigations Report)

Over 60% of data breaches worldwide involved the theft of personal information, such as names, addresses, and Social Security numbers. (Source: Privacy Affairs)

These statistics underscore the global nature of the data breach threat and the need for organizations to implement comprehensive data protection measures. Governments, businesses, and individuals need to work together to raise awareness about data breaches, promote best practices, and hold cybercriminals accountable.

**Conclusion**

Data protection is an essential aspect of the digital age. By implementing comprehensive legal frameworks, leveraging technological advancements, and adhering to ethical considerations, organizations can safeguard personal information, protect privacy, and foster trust. Data protection is not simply a compliance requirement; it is a fundamental responsibility that ensures the integrity of our data and the well-being of our society. requires a comprehensive and ongoing effort. By implementing appropriate safeguards and educating stakeholders about their responsibilities, organizations and individuals can protect their sensitive data from unauthorized access and use. Data protection is not just a compliance requirement but a fundamental pillar of trust, privacy, and security in the digital age.

# Read of the Month



## PMIC SDG INSIGHT

The SDG Insights is a quarterly series initiated by PMIC, commencing in the first quarter of 2024. This series aims to highlight the interconnection between each Sustainable Development Goal (SDG) and the microfinance sector throughout the year. The primary objective of this initiative is to contribute to the tracking and acceleration of efforts towards achieving the Sustainable Development Goals in Pakistan. The SDG Insights series is meticulously crafted with its target audience in mind, aiming to enable the following:

- Provide pertinent information on current opportunities for microfinance partners to foster product innovation.
- Offer an overview of the funding requirements and gaps for donors to make targeted contributions.
- Present a comprehensive view of the microfinance sector's contributions towards specific SDGs.

In this inaugural issue, PMIC delves into Sustainable Development Goal 13 (SDG-13), with a particular focus on climate action. This insight begins by showcasing a success story from a microfinance client, underscoring the sector's impact on climate-resilient development. Subsequently, it establishes the nexus between climate action and the microfinance sector, identifying opportunities for green financing and climate change financing within Pakistan and the microfinance industry. Furthermore, it explores potential areas for microfinance actors to consider for future engagement. Finally, the document examines how borrowers respond to inquiries regarding environmental and social management, as well as climate change indicators. This concise overview provides a comprehensive insight into how microfinance addresses the challenges of climate action in Pakistan while simultaneously focusing on poverty alleviation.

Read the full report here:

<https://bitly.ws/3h38S>

